

**SUPPLEMENTARY INFORMATION:** In accordance with 5 U.S.C. 553, a notice of proposed rulemaking was not published for this regulation and good cause exists for making it effective less than 30 days after *Federal Register* publication. Publication of a notice of proposed rulemaking and delay in the effective date would be contrary to the public interest because immediate action is necessary to prevent possible damage to the environment.

#### Discussion of Proposed Regulations

In a letter received on February 26, 1993, the Michigan Department of Natural Resources advised the Commander of the Ninth Coast Guard District of concerns over the environmental impact of ship transits through the St. Marys River during the period of March 21 to April 1. April 1 is the nominal date for the opening of the locks at Sault Ste. Marie, which allows large commercial shipping access to the St. Marys River from Lake Superior. In accordance with an agreement reached on June 29, 1993 with the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service and the Michigan Department of Natural Resources, the Commander of the Ninth Coast Guard District is making this temporary change to the speed regulations during periods when ice breaking is being conducted in the vicinity of Neebish Island, St. Mary's River, Michigan, as a precautionary measure to minimize any possible damage to the environment. The speed limit is being reduced by 2 statute miles per hour in the area between Munuscong Lake Lighted Buoy 8 and Lake Nicolet Light 80, upbound, and between Lake Nicolet Lighted Buoy 80 and Munuscong Lake Light 9, downbound. The Light 9 checkpoint has been added to extend the reduced speed limit area past Winter Point, thereby protecting the sensitive environment between Winter Point and Light 9. Speed limits apply to the average speed between established reporting points.

#### Drafting Information

The drafter of this regulation is Captain Roderick A. Schultz, U.S. Coast Guard, Chief, Ninth Coast Guard District Aids to Navigation Branch.

#### Federalism Implications

This action has been analyzed in accordance with the principles and criteria contained in Executive Order 12612, and it has been determined that the rulemaking does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

#### Environment

A recent environmental impact study by the United States Army Corps of Engineers indicated that March 21 is the optimal opening date. [see U.S. Army Corps of Engineers Draft Environmental Impact Statement, Opening Operations of the Lock Facilities on March 21 (February 1993), Supplement III to the Final Environmental Impact Statement, Operations, Maintenance, and Minor Improvements of the Federal Facilities at Sault Ste. Marie, Michigan (July 1977)]. The same study by the Corps of Engineers indicates that there is no significant impact on fish populations due to movement of large commercial vessels through the ice. However, the Michigan Department of Natural Resources asserts that there may be such an impact during the early period of March 21 to April 1.

The Ninth Coast Guard District has adopted the U.S. Army Corps of Engineers EIS, EIS Supplements, and EIS studies on Operations, Maintenance, and Minor Improvements of the Federal Facilities at Sault Ste. Marie, Michigan. In addition, the Coast Guard is preparing a supplement for the 1974 Ninth Coast Guard District EIS regarding icebreaking activity on the Great Lakes.

#### Collection of Information

This regulation will impose no collection of information requirements under the Paperwork Reduction Act, 44 U.S.C. 3501 et seq.

#### Economic and Regulatory Evaluation

This regulation is not a significant regulatory action under Executive Order 12866 and is not significant under the Department of Transportation regulatory policies and procedures (44 CFR 11034, 11040; February 26, 1979). The Coast Guard has determined that a regulatory evaluation is unnecessary because of the minimal impact expected from this regulation.

#### List of Subjects in 33 CFR Part 161

Harbors, Navigation (water), Reporting and recordkeeping requirements, Vessels, Waterways.

#### Regulations

In consideration of the foregoing, the Coast Guard temporarily amends Part 161 of Title 33, Code of Federal Regulations, as follows:

#### PART 161—VESSEL TRAFFIC MANAGEMENT

1. The authority citation for 33 CFR Part 161 continues to read as follows:

Authority: 33 U.S.C. 1231; 49 CFR 1.46.

2. Section 161.880 is temporarily revised to read as follows:

#### § 161.880 Maximum Speed Limits.

The following speed limits indicate the average speed over the ground between reporting points:

The speed limit between	Speed limit	
	Miles/hr	Knots
De Tour Reef Light and Sweets Point Light .....	14	12.2
Round Island Light and Point Aux Frenes Light 21 .....	14	12.2
Munuscong Lake Lighted Buoy 8 and Evers Point .....	10	8.7
Evers Point and Reed Point .....	7	6.0
Reed Point and Lake Nicolet Lighted Buoy 62 .....	8	7.0
Lake Nicolet Lighted Buoy 62 and Lake Nicolet Light 80 .....	10	8.7
Lake Nicolet Lighted Buoy 80 and Munuscong Lake Light 9 (downbound, West Neebish Channel) .....	8	7.0
Lake Nicolet Light 80 and Winter Point (West Neebish Channel) .....	8	7.0
Lake Nicolet Light 80 and Six Mile Point Range Rear Light ...	10	8.7
Six Mile Point Range Rear Light and lower limit of the St. Marys Falls Canal: Upbound .....	8	7
Downbound .....	10	8.7
Upper limit of the St. Marys Falls Canal and Point Aux Pins Main Light .....	12	10.4

Dated: December 27, 1993.

Rudy K. Peschel,  
Rear Admiral, U.S. Coast Guard, Commander,  
Ninth Coast Guard District.

[FR Doc. 94-2605 Filed 2-3-94; 8:45 am]

BILLING CODE 4910-14-M

#### 33 CFR Part 165

COTP Pittsburgh 94-003

RIN 2115-AA97

#### Safety Zone; Allegheny River

AGENCY: Coast Guard, DOT.

ACTION: Temporary final rule.

**SUMMARY:** The Coast Guard is establishing a safety zone on the Allegheny River. This regulation is

needed to control vessel traffic in the regulated area due to hazards posed by severe icing along the entire length of this river. This regulation will restrict general navigation in the regulated area for the safety of vessel traffic.

**EFFECTIVE DATE:** This regulation is effective at 4 p.m. on January 18, 1994 and will terminate at 4 p.m. on February 15, 1994, unless terminated at an earlier date by the Captain of the Port, Pittsburgh, Pennsylvania.

**FOR FURTHER INFORMATION CONTACT:** Lt. John Meehan, Port Operations Officer, Captain of the Port, Pittsburgh, Pennsylvania at (412) 644-5808.

**SUPPLEMENTARY INFORMATION:**

#### Drafting Information

The drafters of this regulation are Lt. John Meehan, Project Officer, Marine Safety Office, Pittsburgh, Pennsylvania and LCDR A.O. Denny, Project Attorney, Second Coast Guard District Legal Office.

#### Regulatory History

In accordance with 5 U.S.C. 553, a notice of proposed rulemaking has not been published for this regulation and good cause exists for making it effective in less than 30 days from the date of publication. Following normal rulemaking procedures would have been impracticable. Specifically, extremely cold weather has blanketed the upper Ohio Valley during the first two weeks of January, 1994. The Allegheny River, the northernmost navigable river in the valley's watershed, has quickly frozen to ice thicknesses of up to one foot in several areas. Vessels attempting to transit this river recently have reported problems in maintaining steerage and in making way on the river's ice clogged channels. The severe icing of the Allegheny River and the subsequent navigation hazards posed by the ice developed rapidly and were unexpected, leaving insufficient time to publish a notice of proposed rulemaking. The Coast Guard deems it to be in the public's best interest to issue a regulation without waiting for a comment period, as immediate implementation of navigation restrictions is needed to ensure the safety of vessels transiting the area.

#### Background and Purpose

The upper Ohio River Valley is experiencing one of the coldest winters on record. Unusually high precipitation levels and record low temperatures have led to significant ice accumulations along the region's navigable waterways. The icing problem is especially severe along the Allegheny River, where ice thicknesses of up to one foot have been

reported. Vessels attempting to transit the Allegheny River have experienced difficulty in maintaining steerage and in making way on this river's ice clogged channels. By January 17, 1994, the Allegheny River's navigability had deteriorated (due to ice) to the point where several vessel operators elected not to move tank barge cargoes on this river. Since temperatures in this region are not expected to moderate in the short term, Captain of the Port Pittsburgh is establishing a safety zone on the Allegheny river to protect vessels from the risks posed by the river's ice clogged channels. Commencing at 4 p.m. on January 18, 1994, vessel traffic will not be permitted to transit any navigable portion of the Allegheny River unless specifically authorized by the Captain of the Port Pittsburgh. Vessels intending to transit the Allegheny River may request Captain of the Port authorization to proceed by calling Marine Safety Office Pittsburgh at (412) 644-5808 or Coast Guard Ohio Valley via VHF marine band radio Channel 13 (156.650 MHz) at least 24 hours prior to the vessel's scheduled arrival time at Allegheny River mile 0.0. The Captain of the Port Pittsburgh will authorize Allegheny River transits on a case-by-case basis after considering the vessel's size (horsepower), tow composition, and destination on the river. This safety zone will remain in effect until 4 p.m. on February 15, 1994, unless terminated at an earlier date by the Captain of the Port, Pittsburgh, Pennsylvania.

#### Regulatory Evaluation

This regulation is not a significant regulatory action under Executive Order 12866 and is not significant under Department of Transportation Regulatory Policies and Procedures (44 FR 11040; February 26, 1979), it will not have a significant economic impact on a substantial number of small entities, and it contains no collection of information requirements. A full regulatory analysis is unnecessary because the Coast Guard expects the impact of this regulation to be minimal due to the relatively short duration of vessel traffic restrictions and the relative infrequency of commercial vessel transits along this navigable waterway.

#### Federalism Assessment

Under the principles and criteria of Executive Order 12612, this regulation does not raise sufficient federalism implications to warrant the preparation of a Federalism Assessment.

#### Environmental Assessment

The Coast Guard considered the environmental impact of this proposal

and concluded that, under section 2.B.2.c. of Commandant Instruction M16475.1B, this proposal is categorically excluded from further environmental documentation as an action required to protect public safety.

#### List of Subjects in 33 CFR Part 165

Harbors, Marine safety, Navigation (water), Records and recordkeeping, Security measures, Waterways.

#### Temporary Regulation

In consideration of the foregoing, subpart C of part 165 of title 33, Code of Federal Regulations, is amended as follows:

#### PART 165—[AMENDED]

1. The authority citation for Part 165 continues to read as follows:

Authority: 33 U.S.C. 1231; 50 U.S.C. 191; 49 CFR 1.46 and 33 CFR 1.05-1(g), 6.04-1, 6.04-6, and 160.5.

2. A temporary section 165.T02-005 is added, to read as follows:

#### § 165.T02-005 Safety Zone: Allegheny River.

(a) *Location.* The Allegheny River between mile 0.0 and mile 72.0 is established as a safety zone.

(b) *Effective dates.* This regulation is effective at 4 p.m. on January 18, 1994 and will terminate at 4 p.m. on February 15, 1994, unless terminated at an earlier date by the Captain of the Port, Pittsburgh, Pennsylvania.

(c) *Regulations.* In accordance with the general regulations in Section 165.23 of this part, entry into this zone is prohibited unless authorized by the Captain of the Port. Vessel operators requesting authorization to enter this safety zone may do so by contacting Coast Guard Marine Safety Office Pittsburgh at (412)644-5808 or Coast Guard Group Ohio Valley via VHF marine band radio Channel 13 (156.650 MHz) at least 24 hours prior to arriving at Allegheny River mile 0.0.

Dated: January 18, 1994.

M.W. Brown,

Commander, U.S. Coast Guard, Captain of the Port, Pittsburgh, Pennsylvania.

[FR Doc. 94-2603 Filed 2-3-94; 8:45 am]

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## POSTAL SERVICE

## 39 CFR Part 233

## Increasing the Amounts of the Rewards and Adding Money Laundering to the List of Offenses for Which Rewards May Be Paid for Information

AGENCY: Postal Service.

ACTION: Final rule.

**SUMMARY:** In 1993, the Postal Service revised its reward policy by increasing the reward amounts and by adding money laundering to the list of offenses for which rewards may be paid for information and services leading to the arrest and conviction of persons committing postal crimes. Consequently, this rule amends the regulations to reflect the revised reward policy.

EFFECTIVE DATE: February 4, 1994.

FOR FURTHER INFORMATION CONTACT: H.J. Bauman, (202) 268-4415.

**SUPPLEMENTARY INFORMATION:** The Postal Service offers rewards for information and services leading to the arrest and conviction of perpetrators of the following crimes: (1) Murder or manslaughter of a postal employee; (2) assault on a postal employee; (3) robbery or attempted robbery of any custodian of postal money or property; (4) burglary of a post office; (5) theft, possession, destruction, or obstruction of mail; (6) postage or meter tampering; (7) offenses involving money orders; (8) mailing bombs or explosives; (9) mailing poisons, controlled substances, or hazardous materials; (10) using the mails for child pornography; and (11) using the mails for money laundering.

Postal Service regulations concerning these rewards are published in title 39 of the Code of Federal Regulations (CFR) as a note following § 233.2(b). Since the Postal Service has decided to increase the amounts of the rewards, it is necessary to amend the CFR to reflect the revised Postal Service policy. In addition, the offense of money laundering (i.e., mailing or causing to be mailed any money which has been obtained illegally), has been added to the reward list.

In summary, § 233.2 is amended by: (1) Revising paragraph (b) to substitute "Poster 296" for "Notice 96"; (2) adding paragraph (b)(1)(x) to add money laundering to the list of offenses; and (3) revising the note following paragraph (b)(2) to increase the reward amounts.

## List of Subjects in 39 CFR Part 233

Crime, Law enforcement, Postal Service.

Accordingly, 39 CFR part 233 is amended as set forth below.

## PART 233—INSPECTION SERVICE/INSPECTOR GENERAL AUTHORITY

1. The authority citation for part 233 continues to read as follows:

**Authority:** 39 U.S.C. 101, 401, 402, 403, 404, 406, 410, 411, 3005(e)(1); 12 U.S.C. 3401-3422; 18 U.S.C. 981, 1956, 1957, 2254, 3061; 21 U.S.C. 881; Inspector General Act of 1978, as amended (Pub. L. No. 95-452, as amended), 5 U.S.C. App. 3.

2. Section 233.2 is amended by revising the introductory text of paragraph (b)(1), adding paragraph (b)(1)(x) and revising the Note after paragraph (b)(2) to read as follows:

## § 233.2 Circulars and rewards.

\* \* \* \* \*

(b) *Rewards* (1) Rewards will be paid in the amounts and under the conditions stated in Poster 296, *Notice of Reward*, for the arrest and conviction of persons for the following postal offenses:

\* \* \* \* \*

(x) Mailing or causing to be mailed any money which has been obtained illegally.

(2) \* \* \*

**Note:** The text of Poster 296, referred to in paragraph (b)(1) of this section, reads as follows:

The United States Postal Service offers a reward up to the amounts shown for information and services leading to the arrest and conviction of any person for the following offenses:

Murder or Manslaughter, \$100,000. The unlawful killing of any officer or employee of the Postal Service while engaged in or on account of the performance of their official duties.

Assault on Postal Employees, \$15,000. Forcibly assaulting any officer or employee of the Postal Service while engaged in or on account of the performance of their official duties.

Bombs or Explosives, \$50,000. Mailing or causing to be mailed any bombs or explosives which may kill or harm another, or injure the mails or other property, or the placing of any bomb or explosive in a postal facility, vehicle, depository or receptacle established, approved or designated by the Postmaster General for the receipt of mail.

Postage or Meter Tampering, \$50,000. The unlawful use, reuse, or forgery of postage stamps, postage meter stamps, permit imprints or other postage; or the use, sale or possession with intent to use or sell, any used, forged or counterfeited postage stamps or other postage.

Robbery, \$25,000. Robbery or attempted robbery of any custodian of any mail, or money or other property of the United States under the control and jurisdiction of the United States Postal Service.

Burglary of Post Office, \$10,000. Breaking into, or attempting to break into a post office,

station, branch, or a building used wholly or partially as a post office with intent to commit a larceny or other depredation in that post used as a post office.

Money Laundering, \$10,000. Mailing or causing to be mailed any money which has been illegally obtained.

Offenses Involving Postal Money Orders, \$10,000. Theft or possession of stolen money orders or any Postal Service equipment used to imprint money orders; or altering, counterfeiting, forging, unlawful uttering, or passing of postal money orders.

Theft, Possession, Destruction, or Obstruction of Mail, \$10,000. Theft or attempted theft of any mail, or the contents thereof, or the theft of money or any other property of the United States under the custody and control of the United States Postal Service from any custodian, postal vehicle, railroad depot, airport, or other transfer point, post office or station or receptacle or depository established, approved, or designated by the Postmaster General for the receipt of mail; or destroying, obstructing, or retarding the passage of mail, or any carrier or conveyance carrying the mail.

Child Pornography, \$10,000. The mailing or receiving through the mail of any visual depiction involving the use of a minor engaging in sexually explicit conduct.

Poison, Controlled Dangerous Substances, Hazardous Materials, Illegal Drugs, or Cash Proceeds from Illegal Drugs, \$10,000. Mailing or causing to be mailed any poison, controlled substances, hazardous materials, illegal drugs, or the proceeds from the sale of illegal drugs.

## Related Offenses

The United States Postal Service also offers rewards as stated above for information and services leading to the arrest and conviction of any person: (1) For being an accessory to any of the above crimes; (2) for receiving or having unlawful possession of any mail, money or property secured through the above crimes; and (3) for conspiracy to commit any of the above crimes.

## General Provisions

1. The Postal Inspection Service investigates the above described crimes. Information concerning the violations, requests for applications for rewards, and written claims for rewards should be furnished to the nearest Postal Inspector. The written claim for reward payment must be submitted within six months from the date of conviction of the offender, or the date of formally deferred prosecution or the date of the offender's death, if killed in committing a crime or resisting lawful arrest for one of the above offenses.

2. The amount of any reward will be based on the significance of services rendered, character of the offender, risks and hazards involved, time spent, and expenses incurred. Amounts of rewards shown above are the maximum amounts which will be paid.

3. The term "custodian" as used herein includes any person having lawful charge, control, or custody of any mail matter, or any money or other property of the United States under the control and jurisdiction of the United States Postal Service.

4. The Postal Service reserves the right to reject a claim for reward where there has been collusion, criminal involvement, or improper methods have been used to effect an arrest or to secure a conviction. It has the right to allow only one reward when several persons were convicted of the same offense, or one person was convicted of several of the above offenses.

5. Other rewards not specifically referred to in this notice may be offered upon the approval of the Chief Postal Inspection (39 U.S.C. 404 (a)(8)).

(c) \* \* \*

Stanley F. Mires,

Chief Counsel, Legislative Division.

[FR Doc. 94-2064 Filed 2-3-94; 8:45 am]

BILLING CODE 7710-12

## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[VA15-1-5995; A-1-FRL-4831-8]

#### Approval and Promulgation of Air Quality Implementation Plans; Commonwealth of Virginia—Small Business Stationary Source Technical and Environmental Compliance Assistance Program

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

**SUMMARY:** EPA is approving a State Implementation Plan (SIP) revision submitted by the Commonwealth of Virginia for the purpose of establishing a Small Business Stationary Source Technical and Environmental Compliance Assistance Program. This SIP revision was submitted by the Commonwealth to satisfy the Federal mandate of the Clean Air Act (CAA), to ensure that small businesses have access to the technical assistance and regulatory information necessary to comply with the CAA. The rationale for approving is set forth in this document; additional information is available at the address indicated. This action is being taken in accordance with the provisions of the CAA.

**EFFECTIVE DATE:** This action will become effective April 5, 1994, unless notice is received on or before March 7, 1994, that adverse or critical comments will be submitted. If the effective date is delayed, timely notice will be published in the *Federal Register*.

**ADDRESSES:** Comments may be mailed to Thomas J. Maslany, Director, Air, Radiation, and Toxics Division, U.S. Environmental Protection Agency, Region III, 841 Chestnut Building, Philadelphia, PA 19107. Copies of the

documents relevant to this action are available for public inspection during normal business hours at the Air, Radiation, and Toxics Division, U.S. Environmental Protection Agency, Region III, 841 Chestnut Building, Philadelphia, PA 19107; Public Information Reference Unit, U.S. Environmental Protection Agency, 401 M Street, SW., Washington, DC 20460; and Virginia Department of Environmental Quality, 629 E. Main Street, Richmond Virginia, 23219.

FOR FURTHER INFORMATION CONTACT: Lisa M. Donahue, (215) 597-9781.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

Implementation of the provisions of the CAA will require regulation of many small businesses so that areas may attain and maintain the National ambient air quality standards (NAAQS) and reduce the emission of air toxics. Small businesses frequently lack the technical expertise and financial resources necessary to evaluate such regulations and to determine the appropriate mechanisms for compliance. In anticipation of the impact of these requirements on small businesses, the CAA requires that states adopt a Small Business Stationary Source Technical and Environmental Compliance Assistance Program (PROGRAM), and submit this PROGRAM as a revision to the federally approved SIP. In addition, the CAA directs EPA to oversee these small business assistance programs and report to Congress on their implementation. The requirements for establishing a PROGRAM are set out in section 507 of Title V of the CAA. In February 1992, EPA issued *Guidelines for the Implementation of Section 507 of the 1990 Clean Air Act Amendments*, in order to delineate the Federal and state roles in meeting the new statutory provisions and as a tool to provide further guidance to the states on submitting acceptable SIP revisions.

On November 10, 1992, the Commonwealth of Virginia submitted a formal revision to its SIP. The SIP revision consists of a plan for establishing a Small Business Stationary Source Technical and Environmental Compliance Assistance Program. In order to gain full approval, the Commonwealth's submittal must provide for each of the following program elements: (1) The establishment of a Small Business Assistance Program (SBAP) to provide technical and compliance assistance to small businesses; (2) the establishment of a State Small Business Ombudsman

to represent the interests of small businesses in the regulatory process; and (3) the creation of a Compliance Advisory Panel (CAP) to determine and report on the overall effectiveness of the SBAP. The plan must also determine the eligibility of small business stationary sources for assistance in the PROGRAM. The plan includes the duties, funding, and schedule of implementation for the three PROGRAM components.

Under sections 10.1-1323 through 10.1-1326 of the Code of Virginia, the Department of Air Pollution Control, now the Department of Environmental Quality (VA DEQ), is authorized to create and administer the Small Business Stationary Source Technical and Environmental Compliance Assistance Program. This law authorizes VA DEQ to create and administer the SBAP. This law also creates an Office of Small Business Ombudsman and a Small Business Environmental Compliance Advisory Board, and defines source eligibility for the SBAP.

##### II. Evaluation of SIP Revision

Section 507(a) of the CAA sets forth seven requirements that the Commonwealth must meet to have an approvable SBAP. Four of these requirements are discussed in the first section and the requirement for the establishment of an Ombudsman in the second section. Discussion of the remaining two requirements follows the third section.

##### 1. Small Business Assistance Program

The first requirement is to establish adequate mechanisms for developing, collecting and coordinating information concerning compliance methods and technologies for small business stationary sources, and programs to encourage lawful cooperation among such sources and other persons to further compliance with the CAA. The second requirement is to establish adequate mechanisms for assisting small business stationary sources with pollution prevention and accidental release detection and prevention, including providing information concerning alternative technologies, process changes, products and methods of operation that help reduce air pollution.

Virginia has met these first two requirements by establishing a SBAP, located in the VA DEQ Office of Permit Assistance, with the responsibility of serving as a clearinghouse for information related to compliance methods and control technologies, pollution prevention and accidental release prevention and detection. The Virginia SBAP will disseminate

information on compliance which is easily understandable to a nontechnical audience as well as handle inquiries on specific methods for achieving compliance with state and Federal regulations.

The information dissemination will be both proactive and reactive. VA DEQ Air Division has presented a series of seminars throughout Virginia to explain applicable requirements to small businesses and interested citizens. Another series of seminars is being planned, with the assistance of Virginia's Department of Economic Development. The VA DEQ Air Division will also receive seminar assistance from the Waste Management Division and the Emergency Services Division for pollution prevention and accidental release prevention, respectively. The SBAP manager and staff members will develop public service announcements (PSAs) and information packages of print material, addressing all topics germane to the SBAP, including compliance, pollution prevention, accidental release prevention, legal rights under the CAA, permitting assistance, notification of rights, audits, and source modification. The PSAs and mailings of print material will begin in November, 1994. For the reactive component of the SBAP, a toll-free number will be installed by October, 1994. Through outreach techniques, the SBAP staff will inform small business stationary sources of their obligations under the CAA.

The third requirement is to develop a compliance and technical assistance program for small business stationary sources which assists small businesses in determining applicable requirements and in receiving permits under the CAA in a timely and efficient manner, and the fourth requirement is to develop adequate mechanisms to assure that small business stationary sources receive notice of their rights under the CAA in such manner and form as to assure reasonably adequate time for such sources to evaluate compliance methods and any relevant or applicable proposed or final regulation or standards issued under the CAA. Virginia has met these requirements through the SBAP. The staff of the SBAP will compile a list of technical referrals who will assist them in responding to specific inquiries. The VA DEQ's Air Division, Office of Compliance and Enforcement (OCE) and regional offices currently offer compliance assistance to sources in determining applicable requirements of the CAA. The OCE will serve as technical experts available for referral by the SBAP in identifying applicable rules, determining necessity

of a permit, and identifying alternatives for achieving compliance with state and local regulations.

## 2. Ombudsman Office

Section 507(a)(3) of the CAA requires the designation of a state office to serve as the Ombudsman for small business stationary sources. The Code of Virginia, section 10.1-1324 authorizes the creation of the Ombudsman's office. In VA DEQ, the Director of the Office of Permit Assistance serves as Ombudsman. The Ombudsman is appointed by the DEQ's Director and reports directly to him or her, and the SBAP manager reports to the Ombudsman. Additionally, each of Virginia's seven air quality control regional offices will have an appointed liaison.

## 3. Compliance Advisory Board

Section 507(e) of the CAA requires the state to establish a Compliance Advisory Panel (CAP) that must include two members selected by the Governor who are not owners or representatives of owners of small businesses; four members selected by the state legislature who are owners, or represent owners, of small businesses; and one member selected by the head of the agency in charge of the Air Pollution Permit Program. Virginia has established a Compliance Advisory Board pursuant to the Code of Virginia, section 10.1-1325. It is comprised of seven members who are appointed for four-year terms, starting on July 31, 1993. The makeup of the board is prescribed as is required by section 507(e). Members of the board will serve without pay, and administrative support for the Board will be funded through the ombudsman's office.

In addition to establishing the minimum membership of the CAP the CAA delineates four responsibilities of the Panel: (A) To render advisory opinions concerning the effectiveness of the SBAP, difficulties encountered and the degree and severity of enforcement actions; (B) to review and assure that information for small business stationary sources is easily understandable; (C) to develop and disseminate the reports and advisory opinions made through the SBAP; and (D) to periodically report to EPA concerning the SBAP's adherence to the principles of the Paperwork Reduction Act, the Equal Access to Justice Act, and the Regulatory Flexibility Act. (Section 507(e)(1)(B) requires the CAP to report on the compliance of the SBAP with these three statutes. However, since state agencies are not required to comply with them, EPA believes that

the state program must merely require the CAP to report on whether the SBAP is adhering to the general principles of these Federal statutes.) The duties and responsibilities of Virginia's Compliance Advisory Board under section 10.1-1326 of the Code of Virginia indicate that it will be responsible for all four of the activities listed above.

The sixth requirement of CAA section 507(a) is to develop adequate mechanisms for informing small business stationary sources of their obligations under the Act, including mechanisms for referring such sources to qualified auditors or, at the option of the Commonwealth, for providing audits of the operations of such sources to determine compliance with the Act. Virginia's Ombudsman and Compliance Advisory Board will develop procedures for referring sources to qualified auditors. The procedures will determine how auditors will qualify, what the cost will be, the format and content of the audit report, and Virginia's actions in the event of a violation discovered during an audit. The audit procedures will be completed by July 31, 1994.

The seventh requirement of CAA section 507(a) is to develop procedures for consideration of requests from a small business stationary source for modification of: (A) Any work practice or technological method of compliance; or (B) the schedule of milestones for implementing such work practices or compliance methods. Virginia has committed to develop procedures for consideration of requests from a source for modification of work practices. The source modification procedures will be completed by July 31, 1994.

## 4. Source Eligibility

Section 507(c)(1) of the CAA defines the term "small business stationary source" as a stationary source that:

- (A) Is owned or operated by a person who employs 100 or fewer individuals;
- (B) Is a small business concern as defined in the Small Business Act;
- (C) Is not a major stationary source;
- (D) Does not emit 50 tons per year (tpy) or more of any regulated pollutant; and
- (E) Emits less than 75 tpy of all regulated pollutants.

Code of Virginia section 10.1-1323 duplicates the language of CAA section 507(c)(1) in defining eligible stationary sources. It also provides for the State Air Pollution Control Board to hear petitions for eligibility and eligibility exclusions. The Board will consult with both EPA and the Small Business Administration regarding exclusions.

The Ombudsman and Compliance Advisory Board will be responsible for developing eligibility determination procedures.

### III. Summary of SIP Revision

The Commonwealth of Virginia has submitted a SIP revision providing for each of the program elements required by CAA section 507. As previously stated, the authority to implement the SBAP has been delegated to the Department of Environmental Quality. Program implementation will begin no later than November 15, 1994. The Director of the Department of Environmental Quality will appoint the Ombudsman and hire the three staff dedicated to implementing the program at the beginning of the Commonwealth's 1993-1994 fiscal year. The Code of Virginia, section 10.1-1325 authorizes the creation of a Compliance Advisory Board to periodically review the effectiveness of the SBAP. All members will be appointed for four year terms, starting no later than July 31, 1993. In this action, EPA is approving the SIP revision submitted by the Commonwealth of Virginia. Accordingly, § 52.2460 is added to 40 CFR part 52, subpart VV—Virginia to reflect EPA's approval action and the fact that it is considered part of the Virginia SIP.

EPA is approving this SIP revision without prior proposal because the Agency views this as a noncontroversial amendment and anticipates no adverse comments. This action will be effective April 5, 1994, unless, by March 7, 1994, notice is received that adverse or critical comments will be submitted. If such notice is received, this action will be withdrawn before the effective date by simultaneously publishing two subsequent notices. One notice will withdraw the final action and another will begin a new rulemaking by announcing a proposal of the action and establishing a comment period. If no such comments are received, the public is advised that this action will be effective on April 5, 1994.

### Final Action

EPA is approving Virginia's plan for the establishment of a Small Business Stationary Source Technical and Environmental Compliance Assistance Program. Accordingly, 40 CFR 52.2460 is added to reflect EPA's approval action. The Agency has reviewed this request for revision of the federally-approved state implementation plan for conformance with the Clean Air Act, including sections 507 and section 110(a)(2)(E).

Nothing in this action should be construed as permitting or allowing or establishing a precedent for any future request for revision to any state implementation plan. Each request for revision to the state implementation plan shall be considered separately in light of specific technical, economic, and environmental factors and in relation to relevant statutory and regulatory requirements.

Under the Regulatory Flexibility Act, 5 U.S.C. 600 *et seq.*, EPA must prepare a regulatory flexibility analysis assessing the impact of any proposed or final rule on small entities. 5 U.S.C. 603 and 604. Alternatively, EPA may certify that the rule will not have a significant impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and government entities with jurisdiction over populations of less than 50,000.

In this action, EPA is approving a state program created for the purpose of assisting small businesses in complying with existing statutory and regulatory requirements. The program being approved does not impose any new regulatory burden on small businesses; it is a program under which small businesses may elect to take advantage of assistance provided by the state. Therefore, because the EPA's approval of this program does not impose any new regulatory requirements on small businesses, I certify that it does not have a significant economic impact on any small entities affected.

This action to approve the establishment of a Small Business Stationary Source Technical and Environmental Compliance Assistance Program in Virginia has been classified as a Table 2 action for signature by the Regional Administrator under the procedures published in the Federal Register on January 19, 1989 (54 FR 2214-2225) as revised by an October 4, 1993 Memorandum from Michael H. Shapiro, Acting Assistant Administrator for Air and Radiation. On January 6, 1989, the Office of Management and Budget waived Table 2 and Table 3 SIP revisions from the requirements of section 3 of Executive Order 12291 for a period of two years. EPA has submitted a request for a permanent waiver for Table 2 and 3 SIP revisions. OMB has agreed to continue the temporary waiver until such time as it rules on EPA's request. This request is still applicable under Executive Order 12866, which superseded Executive Order 12291 on September 30, 1993.

Under section 307(b)(1) of the CAA, petitions for judicial review of this action to approve the establishment of a

Small Business Stationary Source Technical and Environmental Compliance Assistance Program in Virginia must be filed in the United States Court of Appeals for the appropriate circuit by April 5, 1994. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this rule for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2).)

### List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Small business assistance program.

Dated: November 10, 1993.

W.T. Wisniewski,

Acting Regional Administrator, Region III.

40 CFR part 52 is amended as follows:

### PART 52—[AMENDED]

1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401-7671q.

### Subpart VV—Virginia

2. Subpart VV is amended by adding § 52.2460 to read as follows:

§ 52.2460 Small business stationary source technical and environmental compliance assistance program.

On November 10, 1992, the Executive Director of the Virginia Department of Air Pollution Control submitted a plan for the establishment and implementation of a Small Business Stationary Source Technical and Environmental Compliance Assistance Program as a State Implementation Plan revision, as required by title V of the Clean Air Act. EPA approved the Small Business Stationary Source Technical and Environmental Compliance Assistance Program on February 4, 1994, and made it a part of the Virginia SIP. As with all components of the SIP, Virginia must implement the program as submitted and approved by EPA.

[FR Doc. 94-2282 Filed 2-3-94; 8:45 am]

BILLING CODE 6560-50-F

**40 CFR Part 52**

[AL15-1-6050; FRL-4829-4]

**Approval and Promulgation of Implementation Plans Alabama: Approval of Revisions to Alabama State Regulations**

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

**SUMMARY:** EPA is approving revisions to the particulate emission regulations of the Alabama State Implementation Plan (SIP) submitted by the State of Alabama through the Alabama Department of Environmental Management on September 23, 1985. The revisions include specific regulations for coke ovens for Gulf States Steel Corporation, formerly Gadsden Steel Company, formerly Republic Steel Corporation. These regulations were revised to ensure that the National Ambient Air Quality Standards (NAAQS) for particulate matter will continue to be maintained in Etowah County, Alabama.

**EFFECTIVE DATE:** This action will be effective April 5, 1994, unless notice is received by March 7, 1994, that someone wishes to submit adverse or critical comments. If the effective date is delayed, timely notice will be published in the *Federal Register*.

**ADDRESSES:** Copies of the State submittal are available for public review at the following locations:

EPA, Attn: Jerry Kurtzweg, ANR 443, Environmental Protection Agency, 401 M Street SW., Washington DC 20460;

Joey LeVasseur, Regulatory Planning and Development Section, Air Programs Branch, United States Environmental Protection Agency, Region IV, 345 Courtland Street NE., Atlanta, Georgia, 30365.

Alabama Department of Environmental Management, 1751 Congressman W. L. Dickinson Drive, Montgomery, Alabama, 36109.

**FOR FURTHER INFORMATION CONTACT:** Joey LeVasseur, Regulatory Planning and Development Section, Air Programs Branch, United States Environmental Protection Agency, Region IV, 345 Courtland Street NE., Atlanta, Georgia, 30365, (404) 347-2864.

**SUPPLEMENTARY INFORMATION:** On September 23, 1985, the State of Alabama through the Alabama Department of Environmental Management submitted revisions to the Alabama SIP to address air emissions from steel mills located in Etowah County. The air quality with regard to particulate matter in Etowah County,

Alabama, is predominantly influenced by the operation of Gulf States Steel Corporation. Therefore, mitigation measures concentrate on those processes peculiar to the making of steel. The following is a detailed summary of the revisions to the Alabama SIP which EPA is approving in this action.

The State's original implementation plan for the control of particulate emissions from steel mills contained two broadly applicable regulations. Visible emissions were regulated by section 335-3-4-.01 (formerly 4.1) and the amount of particulate mass emitted was regulated by the general process weight provisions of section 335-3-4-.04 (formerly 4.4). In general, those regulations adequately addressed particulate emissions from stacks, but could not be effectively applied to control process fugitive emissions. These regulations were difficult to enforce because there was no easy or accurate way to measure actual emissions.

In order to remedy the problems associated with these original regulations, the State adopted source-specific regulations governing the distinctive emission processes associated with coke making. The coke oven regulations were adopted by the Alabama Air Pollution Control Commission on June 12, 1974. The regulations were submitted to EPA for approval as a revision to the Alabama SIP on June 20, 1974. EPA approved the regulations on August 28, 1975 (40 FR 39503). A summary of these coke oven emission regulations is provided in this notice in order to provide an understanding of the control strategy pertinent to this notice. Many of these regulations remain an integral part of the strategy. The regulations were originally codified under section 4.9 but have been recodified as follows.

**Section 335-3-4-.09(2)**—This section requires that all reasonable measures be applied to prevent emissions from the unloading and transfer of coal and coke.

**Section 335-3-4-.09(3), Charging**—This section limits charging emissions to less than 20 percent except for 3 minutes in any hour for batteries with less than 70 ovens.

**Section 335-3-4-.09(4), Pushing**—This section forbids any visible emissions greater than 40 percent during the pushing cycle except for one push per hour (EPA approved this regulation April 4, 1979 (44 FR 20079)).

**Section 335-3-4-.09(5)**—This section limits visible emissions to 10 percent at the offtake piping and no more than 5 percent at the charging lids.

**Section 335-3-4-.09(6), Coke Oven Doors**—This section provides that there shall be no visible emissions from more than 15 percent of the doors of the battery.

**Section 335-3-4-.09(7)**—This section describes the general maintenance requirements for coke ovens.

**Section 335-3-4-.09(8), Combustion Stacks**—This section provides that there shall be no visible emissions of an opacity greater than 20 percent from any stack except for 3 minutes in any consecutive 60 minutes.

**Section 335-3-4-.09(9), Quenching**—This section requires that quench towers be provided with properly operating baffles and provides for water quality guidelines.

EPA's analysis of emission reductions needed to achieve attainment of the particulate matter NAAQS resulted in a finding that the proposed pushing regulation (335-3-4-.09(4)) was inadequate. EPA, therefore, took no official action on that regulation on August 28, 1975, when the other regulations were approved, pending the conclusion of additional studies. Consequently, the State's process weight and general opacity regulations remained the only federally approved regulation for coke oven pushing emissions. On April 4, 1979, EPA approved coke oven plan revisions submitted on July 14, 1978, to attain the national standards for particulate matter. These regulations were later relaxed to the 1975 version.

Neither of the two regulatory approaches heretofore described contained specific regulations to limit fugitive particulate emissions from road dust, parking lots, storage piles, etc. However, these nontraditional fugitive emissions are now subject to limitations by permit condition and by the terms of today's final rule.

On March 3, 1978, in accordance with section 107(d) of the CAA, EPA designated the area surrounding the Gulf States Steel Corporation facility in Etowah County, Alabama, as nonattainment for total suspended particulates (TSP). Gulf States Steel Corporation remained the dominant major point source contributing to the particulate nonattainment problem in Etowah County.

Section 172 of the Clean Air Act (CAA) requires that plan revisions assuring the attainment of the NAAQS for particulate matter are to provide for the implementation of reasonably available control technology (RACT) as expeditiously as practicable. In response to the section 107(d) nonattainment designation and call for a particulate SIP revision for Etowah and Jefferson

Counties, Alabama revised its coke oven pushing and charging regulations to require a RACT level of control. These regulations were directed specifically to Jefferson and Etowah Counties and were federally approved on April 4, 1979. These regulations, however, were never implemented due to legal challenges to the section 107 redesignation process. On procedural grounds, Republic Steel and U.S. Steel challenged the validity of EPA's March 3, 1978, designation of portions of Jefferson and Etowah Counties as nonattainment areas for TSP.

On May 3, 1979, the 5th Circuit Court of Appeals (now the Eleventh Circuit Court of Appeals) in *Republic Steel vs. EPA* and *U.S. Steel vs. EPA* found that EPA had not adequately complied with the requirements of the Administrative Procedure Act in its nonattainment designation action, and directed EPA to initiate the designation process again. On June 10, 1980, EPA again designated Etowah County as primary nonattainment for TSP and directed the State to submit a SIP revision. U.S. Steel and Republic Steel did not appeal this designation of nonattainment by EPA.

In an order issued July 2, 1979, the Eleventh Circuit Court of Appeals stayed the effective date of EPA's approval of the 1978 coke pushing and charging regulations until the nonattainment designation challenge was resolved. In a second order issued October 23, 1979, further proceedings in the case were stayed pending EPA's final action on any new SIP revision that might be required after finalization of the nonattainment boundaries in Etowah and Jefferson Counties. As part of the basis of the second stay, EPA agreed not to enforce the 1978 coke pushing regulations pending finalization of the nonattainment boundaries and EPA's final action on any new SIP revision that may be required. Thus, neither EPA nor the State enforced the 1978 coke oven pushing and charging regulations.

In November 1984, the Eleventh Circuit Court of Appeals notified the Department of Justice and counsel for U.S. Steel and Gadsden Steel that the Court would not carry this case on its docket indefinitely and directed counsel to confer and dispose of the case. U.S. Steel and Gadsden Steel Company (formerly Republic Steel) requested that EPA's action in adopting 1978 coke oven regulations be vacated or, alternatively, that the July 1979 stay of enforcement of these regulations be continued. EPA and the Justice Department disagreed with the two steel companies, pointing out that the petition for review lacked "good cause"

in light of EPA's second (and unchallenged) designation of parts of Jefferson and Etowah Counties as nonattainment areas for total suspended particulate matter (TSP). EPA and the Justice Department reasoned that the 1978 Alabama-submitted coke oven regulations (which represented Reasonably Available Control Technology) were needed due to the affected area's nonattainment status. The parties failed to reach an agreement and filed legal briefs and memoranda with the court.

On May 14, 1985, the Eleventh Circuit Court dismissed the steel companies' petitions for review without prejudice. The dismissal of the case dissolved the July 1979 agreement by EPA to stay enforcement of the 1978 Alabama coke oven regulations. However, because of the imminent approval status of this SIP revision, EPA has continued to refrain from enforcement of the 1978 regulations. Regulations in this SIP revision will supersede the 1978 coke oven regulations in Etowah County.

A reduction in particulate emission levels has occurred at the Gulf States Steel facility due to the enforcement of regulations applying to steel mills adopted in 1974, along with a fugitive emissions control program more recently implemented by Gulf States Steel Corporation. To insure that the reductions associated with the fugitive emissions control program will continue in the future, ADEM adopted regulations requiring Gulf States Steel Corporation to continue efforts to reduce fugitive emissions.

ADEM submitted SIP revisions on June 19, 1985, September 3, 1985, and September 15, 1985, modifying the particulate control strategy for Etowah County. The State requested that Etowah County be redesignated to attainment for TSP. EPA has more recently adopted a particulate matter standard based on particles with an aerodynamic diameter of less than 10 microns (PM<sub>10</sub>). Under the 1990 Amendments, Etowah County does not have to redesignate to attainment for TSP, and therefore, the EPA is not acting on the request to redesignate.

The following is a list of the revisions made to Chapter 4 to control particulate emissions. These revisions are being approved in today's action.

335-3-4-.17(1) Visible Emissions from roof monitors or other openings in the basic oxygen furnace (BOF) building, other than water mist or vapor, shall not exceed a shade or density greater than twenty percent (20%) opacity as determined on a three (3) minute rolling average. Compliance shall be determined by using the

procedures specified at 40 CFR part 60, appendix A, Method 9 excluding section 2.5.

335-3-4-.17(2) All paved roads shall be vacuum swept or flushed of surface material every third consecutive day. The vacuum sweeper shall have a minimum blower capacity of 12,000 cfm and the flushing machine shall dispense water at the rate of 0.32 gal/yd.<sup>2</sup>

335-3-4-.17(3) Paved parking areas shall be vacuum swept or flushed of surface material every calendar quarter. The vacuum sweeper shall have a minimum blower capacity of 12,000 cfm and the flushing machine shall dispense water at the rate of 0.32 gal/yd.<sup>2</sup>

335-3-4-.17(4) Paved road or area flushing specified in sections 335-3-4-.17(2) and 335-3-4-.17(3) is not required when the temperature is below 32 °F. Paved road or area cleaning is not required when precipitation during the previous 24-hour period has exceeded 0.01 inches.

335-3-4-.17(5) Unpaved roads, traffic areas in the slag storage area, and traffic areas in other material storage areas shall be treated with petroleum resin, asphalt emulsion, or equivalent dust suppressant on a quarterly or more frequent basis as determined by the Director.

335-3-4-.17(6) Unpaved parking lots shall be treated with petroleum, resin, asphalt emulsion, or equivalent dust suppressant on a semi-annual basis.

335-3-4-.17(7) The petroleum resin or asphalt emulsion dust suppressant required in sections 335-3-4-.17(5) and 335-3-4-.17(6) shall be applied at a dilution ratio of 20% for the initial three applications and 12% for subsequent applications. The suppressant shall be applied at the rate of 0.75 gal/yd.<sup>2</sup> of diluted solution. Other dust suppressants must be applied at an equivalent dilution ratio and application rate as determined by the Director.

335-3-4-.17(8) The source shall maintain at its plant premises, and make available for inspection, records documenting each occasion on which paved areas are cleaned in accordance with sections 335-3-4-.17(2) and 335-3-4-.17(3), and any occasion on which such paved areas are not cleaned according to the required schedule, including any justification for failure to meet the required schedule, such as equipment breakdown or inclement weather conditions. The company shall also maintain, and make available for inspection, records documenting the frequency and amount of applications required by sections 335-3-4-.17(5) and 335-3-4-.17(6). These records shall be

maintained for a minimum of two years following the date of the recorded information.

335-3-4-.17(9) The source shall, within 30 days of approval of this section, notify the Department of a designated reclaim area on the plant property and a designated paved road at its premises to be used to transport molten slag from the basic oxygen furnace shop to the reclaim area. These designations shall not be changed without the written approval of the Director.

These regulations have resulted in an estimated particulate emission reduction of 1400 tons/year and have allowed Etowah County to demonstrate measured attainment of the NAAQS for PM10. EPA has concluded that the revisions are sufficient to allow the area to continue to attain and maintain the NAAQS for PM10. The approval of these regulations is accompanied by the caveat that the levels of control specified for blast furnace casthouses and coke batteries do not, in the Agency's opinion, represent RACT and would not necessarily be sufficient for nonattainment areas to achieve compliance with the NAAQS. It should be noted that there are no sources affected by this action which receive stack height credits above Good Engineering Practice (GEP) or any other dispersion technique.

#### Final Action

EPA is approving the aforementioned revisions to the Alabama SIP. These revisions are consistent with EPA policy and guidance. This action is being taken without prior proposal because the changes are noncontroversial and EPA anticipates no significant comments on them. The public should be advised that this action will be effective April 5, 1994. However, if notice is received by March 7, 1994 that someone wishes to submit adverse or critical comments, this action will be withdrawn and two subsequent notices will be published before the effective date. One notice will withdraw the final action and another will begin a new rulemaking by announcing a proposal of the action and establishing a comment period.

The Agency has reviewed this request for revision of the federally-approved SIP for conformance with the provisions of the 1990 Amendments enacted on November 15, 1990. The Agency has determined that this action conforms with those requirements irrespective of the fact that the submittal preceded the date of enactment.

Under section 307(b)(1) of the CAA, 42 U.S.C. 7607 (b)(1), petitions for judicial review of this action must be

filed in the United States Court of Appeals for the appropriate circuit by April 5, 1994. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this rule for purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2) of the CAA, 42 U.S.C. 7607 (b)(2).)

This action has been classified as a table 3 action by the Regional Administrator under the procedures published in the *Federal Register* on January 19, 1989 (54 FR 2214-2225). On January 6, 1989, the Office of Management and Budget (OMB) waived tables 2 and 3 SIP revisions (54 FR 2222) from the requirements of section 3 of Executive Order 12291 for two years. EPA has submitted a request for a permanent waiver for table 2 and table 3 SIP revisions. OMB has agreed to continue the waiver until such time as it rules on EPA's request. This request continues in effect under Executive Order 12866 which superseded Executive Order 12291 on September 30, 1993.

Nothing in this action shall be construed as permitting or allowing or establishing a precedent for any future request for a revision to any SIP. Each request for revision to the SIP shall be considered separately in light of specific technical, economic, and environmental factors and in relation to relevant statutory and regulatory requirements.

Under the Regulatory Flexibility Act, 5 U.S.C. 600 *et seq.*, EPA must prepare a regulatory flexibility analysis assessing the impact of any proposed or final rule on small entities. (5 U.S.C. 603 and 604) Alternatively, EPA may certify that the rule will not have a significant impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and government entities with jurisdiction over populations of less than 50,000.

SIP approvals under section 110 and subchapter I, part D of the CAA do not create any new requirements, but simply approve requirements that the State is already imposing. Therefore, because the federal SIP-approval does not impose any new requirements, I certify that it does not have a significant impact on any small entities affected. Moreover, due to the nature of the federal-state relationship under the CAA, preparation of a regulatory flexibility analysis would constitute

federal inquiry into the economic reasonableness of state action. The CAA forbids EPA to base its actions concerning SIPs on such grounds. *Union Electric Co. v. U.S. E.P.A.*, 427 U.S. 246, 256-66 (S.Ct. 1976); 42 U.S.C. 7410(a)(2).

#### List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Particulate matter, Reporting and recordkeeping requirements.

Dated: December 17, 1993.

Patrick M. Tobin,

Acting Regional Administrator.

Part 52 of chapter I, title 40, Code of Federal Regulations, is amended as follows:

#### PART 52—[AMENDED]

1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401-7671q.

#### Subpart B—Alabama

2. Section 52.50 is amended by adding paragraph (c)(63) to read as follows:

#### § 52.50 Identification of plan.

\* \* \* \* \*

(c) \* \* \*

(63) Provisions for coke ovens were submitted by the Alabama Department of Environmental Management on September 25, 1985.

(i) Incorporation by reference  
(A) Alabama Department of Environmental Management Administrative Code, Chapter 335-3-4-.17, Steel Mills Located in Etowah County, adopted September 18, 1985.

(ii) Other material.

(A) None.

\* \* \* \* \*

[FR Doc. 94-2520 Filed 2-3-94; 8:45 am]

BILLING CODE 6560-50-P

#### 40 CFR Parts 52 and 81

[OH48-1-6051; FRL-4816-1]

#### Approval of Maintenance Plan and Designation of Areas for Air Quality Planning Purposes; OH

AGENCY: United States Environmental Protection Agency (USEPA).

ACTION: Final rule.

SUMMARY: USEPA is approving a redesignation request and maintenance plan for Cuyahoga County, Ohio as a revision to Ohio's State Implementation Plan (SIP) for carbon monoxide.

The revision is based on a request from the State of Ohio to redesignate this area, and approve its maintenance plan, and on the supporting data the State submitted. Under the Clean Air Act, designations can be changed if sufficient data are available to warrant such change.

**EFFECTIVE DATE:** This final rulemaking becomes effective on March 7, 1994.

**ADDRESSES:** William Jones, Regulation Development Section, Air Enforcement Branch (AE-17J), United States Environmental Protection Agency, 77 West Jackson Boulevard, Region 5, Chicago, Illinois 60604, (312) 886-6058.

Copies of the redesignation request, public comments on the proposed rule, and other materials relating to this rulemaking are available for inspection at the following address: (It is recommended that you telephone William Jones at (312) 886-6058, before visiting the Region 5 Office.) U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Region 5, Chicago, Illinois 60604.

A copy of this redesignation is available for inspection: Jerry Kurtzweg (ANR-443), U.S. Environmental

Protection Agency, 401 M Street SW., Washington, DC 20460.

**FOR FURTHER INFORMATION CONTACT:** William Jones at (312) 886-6058.

**SUPPLEMENTARY INFORMATION:** Under section 107(d) of the pre-amended Clean Air Act (CAA), the United States Environmental Protection Agency (USEPA) promulgated the carbon monoxide (CO) attainment status for each area of every State. For Ohio, Cuyahoga County was designated as a nonattainment area for CO, see 43 FR 8962 (March 3, 1978), and 43 FR 45993 (October 5, 1978). On November 15, 1990, the Clean Air Act Amendments of 1990 were enacted. Public Law No. 101-549, 104 Stat. 2399, codified at 42 U.S.C. 7401-7671q. Pursuant to section 107(d)(1)(C) of the CAA, Cuyahoga County retained its designation of nonattainment for CO by operation of law, see 56 FR 56694 (November 6, 1991). At the same time the area was classified as a moderate CO nonattainment area based on a design value of 10.1 parts per million.

The Ohio Environmental Protection Agency requested that Cuyahoga County be redesignated to attainment in a letter

dated October 16, 1992, and received by USEPA on October 21, 1992. On July 12, 1993 (58 FR 37453) USEPA proposed to approve Ohio's requested redesignation. The CO nonattainment area at issue consists of Cuyahoga County. The State of Ohio has met all of the CAA requirements for redesignation pursuant to section 107(d)(3)(E).

The State provided monitoring, modeling and emissions data to support its redesignation request. The 1992 CO attainment emissions inventory totals in tons per day are 98.55, 81.25, and 67.17, respectively, for the point, area, and mobile sources. The State relied on the existence of an approved Inspection and Maintenance (I/M) program as part of its maintenance demonstration.

The State of Ohio also provided the following schedule for implementing the contingency plan and committed to retain the existing monitoring network for carbon monoxide in the Cleveland area. The last column in the schedule is the amount of time that a specific activity must start ahead of the oxygenated fuels program start date for scheduling purposes. The completion time is the amount of time required to finish a specific activity in the table.

#### CLEVELAND OXYGENATED FUELS CONTINGENCY PROGRAM IMPLEMENTATION SCHEDULE<sup>1</sup>

Activity	Completion time	Lead time needed before start date (months)
Ohio EPA evaluates data from network monitors when a violation is detected, and announces that a violation has been found and the oxygenated fuels program is needed.	1 month .....	13
Ohio EPA submits requests and obtains necessary program budget .....	Up to 12 months .....	12
Petroleum industry secures oxygenates and sets up tracking systems to comply with the requirements .....	8 months .....	8
Ohio EPA reviews the existing state rules requiring the program to determine if changes are needed/desired, and completes rulemaking.	7 months .....	7
Ohio EPA hires additional staff needed to conduct the program and trains staff .....	7 months .....	7
Ohio EPA purchases needed equipment .....	5 months .....	5
Ohio EPA secures lab contracts .....	4 months .....	4
Ohio EPA begins public awareness program .....	4 months .....	4
Ohio EPA prepares for and requires Control Area Responsible parties (CARs) to register .....	3 months .....	3

<sup>1</sup> Based upon this schedule, the oxygenated fuels program could be implemented the next winter season following the detection of a violation (depending upon budget lead time needed), or at maximum, would be implemented within 12 months of a violation.

#### Public Comment/USEPA Response

The following comments were received on the July 12, 1993, notice of proposed rulemaking. USEPA's response follows each comment.

**Comment:** The air quality in the Cleveland area is unhealthy and the area should remain nonattainment and the requirements not be relaxed. If nothing is done now, the problem will get worse.

**Response:** The State of Ohio submitted air quality modeling and monitoring data as a part of their redesignation request. These data show

that the area is currently in attainment of the primary National Ambient Air Quality Standards (NAAQS) for carbon monoxide (CO) and is expected to remain in attainment for at least the next 10 years. The primary NAAQS are established to protect public health. Since, the State has met the redesignation requirement to demonstrate that the air quality meets the NAAQS, USEPA believes the air quality is sufficient to protect the public health. USEPA cannot reject the redesignation request on this basis.

**Comment:** If the redesignation is approved, it would discourage the public transportation system in the area from making improvements to its fleet.

**Response:** The Intermodal Surface Transportation Efficiency Act (ISTEA) has provisions for Congestion Mitigation and Air Quality Improvement Programs. Under these provisions, funding has been made available for ozone and CO nonattainment areas for certain actions that can improve air quality. Since the air quality in Cuyahoga County remains nonattainment for ozone, they can apply for these funds.

**Comment:** Oxygenated gasoline creates less pollution and should be mandated in the area.

**Response:** While oxygenated fuel lowers CO levels, the State has shown that the CO levels are below the standard and are expected to remain below the standard for at least the next 10 years in the County, without using oxygenated fuels. Since the State has demonstrated maintenance without the measure and an oxygenated fuels program is not an applicable requirement for purposes of redesignation, EPA cannot mandate the program in this area. However, if a violation were to occur the State has committed to implement oxygenated fuels in the area.

**Comment:** The area should not be redesignated because it would then be required to use reformulated gasoline during the winter.

**Response:** Reformulated fuels are required in certain ozone nonattainment areas, and oxygenated fuels are required in certain CO nonattainment areas. These are two distinct requirements. The redesignation of the area to attainment for CO will not result in the county having a reformulated fuels requirement for controlling CO. Furthermore, under the CAA none of the areas in Ohio are currently subject to the reformulated fuels requirement.

The remaining public comments received (over 120) were all in support of the redesignation and, therefore, will not be addressed here.

#### Rulemaking Action

The amended Clean Air Act established new submittal requirements with respect to various programs. Therefore, USEPA reviewed the State's submittal, to determine whether the State met the applicable requirements of the amended Act.

Section 187(a)(4) of the Act establishes the I/M requirements applicable to moderate CO nonattainment areas. Section 167(a)(4) requires the State to have submitted an I/M program immediately upon enactment of the Clean Air Act Amendments of 1990. USEPA has interpreted this provision to require submittal of a commitment to USEPA by November 15, 1992, see 57 FR 52950 (Nov. 5, 1992). This commitment would commit to the submittal of an actual program by November 15, 1993. Therefore, November 15, 1992, is the date on which the I/M requirement became applicable. Although Ohio is not required to submit an approvable I/M program in order for USEPA to determine that the State has met the applicable requirements of part D, the

State must have an approved I/M program prior to redesignation because it has relied on such a program to demonstrate maintenance of the NAAQS.

The redesignation request can now be approved as meeting conditions of the CAA in section 107(d)(3)(E) for redesignation, since: (1) The I/M regulations have recently been fully approved as a part of the CO SIP; (2) the State has submitted a schedule for implementing the contingency plan; and (3) the State has committed to maintain an acceptable CO monitoring network in the maintenance area. The State has also met the terms of the May 26, 1988, SIP call for the Cleveland area.

The applicable New Source Review (NSR) requirements for moderate CO areas are in section 172(c)(5) of the Act. Section 172(b) establishes a date no later than November 15, 1993, for submittal of the section 172(c) requirements. Since USEPA has not established an earlier date for submittal, the NSR requirement does not become an applicable requirement until November 15, 1993. Since Ohio submitted the redesignation request for Cuyahoga County prior to November 15, 1993, and the area is now designated attainment, there is no longer a requirement for nonattainment area CO NSR.

The amended Act also specifies new requirements—i.e., requirements not established under the pre-amended Act—for CO nonattainment areas. These include an oxygenated fuels program and an emissions inventory. These requirements were due on November 15, 1992. Since Ohio submitted the redesignation request prior to November 15, 1992, the State was not required to submit these plan elements for purposes of redesignation. Further, since the area is now designated attainment for CO, the CO emissions inventory and oxygenated fuels SIPs are no longer required. However, a CO emissions inventory was submitted as the attainment emissions inventory and is being approved as part of this redesignation action.

Nothing in this action should be construed as permitting or allowing or establishing a precedent for any future request for revision to any SIP. Each request for revision to the SIP shall be considered separately in light of specific technical, economic, and environmental factors and in relation to relevant statutory and regulatory requirements.

Today's action makes final the action proposed on July 12, 1993 (58 FR 37453) to approve Ohio's requested redesignation of Cuyahoga County to attainment for CO. This action has been reclassified from a Table 1 to a Table 2

action by the Regional Administrator under the processing procedures published in the Federal Register on January 19, 1989 (54 FR 2214-2225), as revised by an October 4, 1993, memorandum from Michael H. Shapiro, Acting Assistant Administrator for Air and Radiation. On January 6, 1989, the Office of Management and Budget (OMB) waived Tables 2 and 3 SIP revisions (54 FR 222) from the requirements of section 3 of Executive Order 12291 for a period of 2 years. USEPA has submitted a request for a permanent waiver for Table 2 and Table 3 SIP revisions. The OMB has agreed to continue the waiver until such time as it rules on USEPA's request. This request continues in effect under Executive Order 12866 which superseded Executive Order 12291 on September 30, 1993.

Under the Regulatory Flexibility Act, 5 U.S.C. 600 *et seq.*, USEPA must prepare a regulatory flexibility analysis assessing the impact of any proposed or final rule on small entities. (5 U.S.C. 603 and 604.) Alternatively, USEPA may certify that the rule will not have a significant impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises, and government entities with jurisdiction over populations of less than 50,000.

SIP approvals under section 110 and subchapter I, part D of the CAA do not create any new requirements, but simply approve requirements that the State is already imposing. Therefore, because the federal SIP-approval does not impose any new requirements, I certify that it does not have a significant impact on any small entities affected. Moreover, due to the nature of the Federal-State relationship under the CAA, preparation of a regulatory flexibility analysis would constitute federal inquiry into the economic reasonableness of state action. The CAA forbids USEPA to base its actions concerning SIPs on such grounds. *Union Electric Co. v. U.S. E.P.A.*, 427 U.S. 246, 256-66 (1976); 42 U.S.C. 7410(a)(2).

Redesignation of an area to attainment under section 107(d)(3)(E) of the CAA does not impose any new requirements on small entities. Redesignation is an action that affects the status of a geographical area and does not impose any regulatory requirements on sources. I certify that the approval of the redesignation request will not affect a substantial number of small entities.

Under section 307(b)(1) of the Clean Air Act, petitions for judicial review of this action must be filed in the United States Court of Appeals for the

appropriate circuit by April 5, 1994. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this rule for the purposes of judicial review may be filed, and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2).)

#### List of Subjects

##### 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations.

##### 40 CFR Part 81

Air pollution control.

**Note**—Incorporation by reference of the State Implementation Plan for the State of Ohio was approved by the Director of the Federal Register on July 1, 1982.

Dated: December 2, 1993.

Valdas V. Adamkus,  
Regional Administrator.

Chapter I, title 40 of the Code of Federal Regulations is amended as follows:

#### PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401-7671q.

#### Subpart KK—Ohio

2. Section 52.1870 is amended by adding a new paragraph (c) (93) to read as follows:

##### § 52.1870 Identification of plan.

\* \* \* \* \*

(c) \* \* \*

(93) In a letter dated October 16, 1992, the OEPA submitted a revision to the Carbon Monoxide State Implementation Plan for Cuyahoga County. This revision contains a maintenance plan that the area will use to maintain the CO NAAQS. The maintenance plan contains an oxygenated fuels program as a contingency measure to be implemented if the area violates the CO NAAQS.

(i) Incorporation by reference. (A) Letter dated October 16, 1992, from Donald R. Schregardus, Director, Ohio Environmental Protection Agency to Valdas Adamkus, Regional Administrator, U.S. Environmental Protection Agency, Region 5 and its enclosures entitled "Table 1 Cuyahoga County Carbon Monoxide Emission Inventory", Enclosure B "Cuyahoga County carbon monoxide SIP submittal", and section 6.0 of Enclosure C "Cuyahoga County Carbon Monoxide Modeling Study Final Report."

(ii) Additional information.

#### OHIO—CARBON MONOXIDE

(A) Letter dated January 14, 1993, from Donald R. Schregardus, Director, Ohio Environmental Protection Agency to Valdas Adamkus, Regional Administrator, U.S. Environmental Protection Agency, Region 5.

(B) Letter dated February 10, 1993, from Robert F. Hodanbosi, Chief, Division of Air Pollution Control, Ohio Environmental Protection Agency to David Kee, Director, Air and Radiation Division, U.S. Environmental Protection Agency, Region 5.

(C) Letter dated July 29, 1993, from Robert F. Hodanbosi, Chief, Division of Air Pollution Control, Ohio Environmental Protection Agency to David Kee, Director, Air and Radiation Division, U.S. Environmental Protection Agency, Region 5.

#### PART 81—DESIGNATION OF AREAS FOR AIR QUALITY PLANNING PURPOSES

1. The authority citation of part 81 continues to read as follows:

Authority: 42 U.S.C. 7401-7671q.

#### Subpart KK—Ohio

2. In § 81.336 the carbon monoxide table is amended by revising the entry of "Cuyahoga County" to read as follows:

##### § 81.336 Ohio.

\* \* \* \* \*

Designated area	Designation		Classification	
	Date <sup>1</sup>	Type	Date <sup>1</sup>	Type
Cuyahoga County .....	March 7 ..	Attainment	.....	

<sup>1</sup> This date is November 15, 1990, unless otherwise noted.

\* \* \* \* \*  
[FR Doc. 94-2521 Filed 2-3-94; 8:45 am]  
BILLING CODE 6560-50-P

#### DEPARTMENT OF DEFENSE

##### 48 CFR Parts 225 and 252

Defense Federal Acquisition Regulation Supplement; North American Free Trade Agreement Implementation Act

AGENCY: Department of Defense (DoD).

**ACTION:** Interim rule; extension of comment period.

**SUMMARY:** The Department of Defense published an interim rule on January 10, 1994, (59 FR 1288). This document extends the close of the comment period from February 9, 1994 to March 11, 1994.

**DATES:** Comments on the interim DFARS rule should be submitted in writing to the address shown below on or before March 11, 1994, to be considered in the formulation of a final rule. Please cite DFARS Case 93-D310 in all correspondence related to this issue.

**ADDRESSES:** Interested parties should submit written comments to The Defense Acquisition Regulations Council, ATTN: Mrs. Alyce Sullivan, OUSD (A&T)DP(DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. Telefax number (703) 697-9845.

**FOR FURTHER INFORMATION CONTACT:** Mrs. Alyce Sullivan, (703) 697-7266.

Claudia L. Naugle,  
Deputy Director, Defense Acquisition Regulations Council.

[FR Doc. 94-2428 Filed 2-3-94; 8:45 am]

BILLING CODE 3810-01-M

# Proposed Rules

Federal Register

Vol. 59, No. 24

Friday, February 4, 1994

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

## DEPARTMENT OF ENERGY

### Office of Energy Efficiency and Renewable Energy

#### 10 CFR Part 474

[Docket No. EE-RM-94-101]

### Electric and Hybrid Vehicle Research, Development, and Demonstration Program; Equivalent Petroleum-Based Fuel Economy Calculation

AGENCY: Department of Energy.

ACTION: Notice of proposed rulemaking.

**SUMMARY:** The Department of Energy (DOE) is proposing to amend its Electric Vehicle Research and Development Program to provide new factors for calculating the equivalent petroleum-based fuel economy of electric vehicles. The equivalent petroleum-based fuel economy value is intended to be used in calculating the corporate average fuel economy pursuant to regulations prescribed by the Environmental Protection Agency. DOE is required to develop the procedure pursuant to section 503(a)(3) of the Motor Vehicle Information and Cost Savings Act, as amended.

**DATES:** Written comments (6 copies) must be received by DOE on or before April 5, 1994. The public hearing will be held on March 23, 1994 at 9:30 a.m. at the address listed below. Requests to speak at the hearing must be received by March 15, 1994.

**ADDRESSES:** Written comments (6 copies) and requests to speak at the hearing are to be submitted to: U.S. Department of Energy, Office of Transportation Technologies, EE-30, Ms. Sheila Perez, 1000 Independence Avenue SW., room 6B-094, Docket Number EE-RM-94-101, Washington, DC 20585, (202) 586-6723.

The public hearing will be held in room 1E-245, Forrestal Building, 1000 Independence Avenue, SW., Washington, DC. Please bring eight copies of the prepared oral testimony to the hearing. Copies of the hearing

transcript and written comments received may be obtained or inspected at the DOE Freedom of Information Reading Room, room 1E-190, 1000 Independence Avenue, SW., Washington, DC, 20585, (202) 586-6020, 9 a.m.-4 p.m., Monday-Friday, except holidays.

**FOR FURTHER INFORMATION CONTACT:** Rogelio Sullivan, U.S. Department of Energy, Office of Transportation Technologies, Electric and Hybrid Propulsion Division, Mail Stop EE-321, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586-8042. Eugene Margolis, Esq., U.S. Department of Energy, Office of General Counsel, GC-41, 1000 Independence Avenue, SW., Washington, DC 20585, (202) 586-9507.

#### SUPPLEMENTARY INFORMATION:

- I. Background
- II. Discussion
  - A. Requirements of the Motor Vehicle Information and Cost Savings Act
  - B. Test Procedures
  - C. Calculation Procedures
    1. Driving Pattern Factor
    2. Electric Transmission Efficiency
    3. Accessory Factor
    4. Electricity Generation Efficiency and Relative Scarcity Factor
    5. Petroleum Equivalency Factor Calculation
    6. Alternative Measure of Relative Scarcity and Value
  - D. Public Access to Information
- III. Opportunities for Public Comment
  - A. Written Comments
  - B. Public Hearing
    1. Request to Speak Procedures
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- IV. Procedural Requirements
  - A. Environmental Review
  - B. Regulatory Review
  - C. Regulatory Flexibility Act
  - D. Federalism Review
  - E. "Takings" Assessment Review
  - F. Review Under Section 32 of the Federal Energy Administration Authorization Act
  - G. Review Under Executive Order 12778

#### I. Background

In an effort to conserve energy through improvements in the energy efficiency of motor vehicles, Congress in 1975 passed the Energy Policy and Conservation Act (Pub. L. 94-163). Title III of the Energy Policy and Conservation Act amended the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901, *et seq.*) by mandating fuel economy standards for automobiles produced in, or imported

into, the United States. This legislation, as amended, requires that every manufacturer or importer meet a specified corporate average fuel economy standard for the fleet of vehicles which the manufacturer produces or imports in any model year. Although electric vehicles are included under the definition of the term "automobile" in the Motor Vehicle Information and Cost Savings Act, they do not consume "fuel" as defined in the Motor Vehicle Information and Cost Savings Act. Therefore, calculation of an electric vehicle manufacturer's corporate average fuel economy is impossible without a petroleum equivalency factor term.

On January 7, 1980, the President signed the Chrysler Corporation Loan Guarantee Act of 1979 (Pub. L. 96-185). Section 18 of the Chrysler Corporation Loan Guarantee Act of 1979 added a new paragraph (2) to section 13(c) of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 (Pub. L. 94-413). Part of the new section 13(c) added subsection (a)(3) to section 503 of the Motor Vehicle Information and Cost Savings Act. That subsection directs the Secretary of Energy to determine equivalent petroleum-based fuel economy values for various classes of electric vehicles. The intent of the legislation is to provide an incentive for vehicle manufacturers to produce electric vehicles by including the expected high equivalent fuel economy of these vehicles in the corporate average fuel economy calculation and thereby to accelerate the early commercialization of electric vehicles.

Section 18 of the Chrysler Corporation Loan Guarantee Act of 1979 further amended the Electric and Hybrid Vehicle Research, Development and Demonstration Act of 1976 by adding a new paragraph (3) to section 13(c) which directed the Secretary of Energy, in consultation with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, to conduct a seven-year evaluation program of the inclusion of electric vehicles in the calculation of average fuel economy. In May 1980, pursuant to the requirements of section 503(a)(3) of the Motor Vehicle Information and Cost Savings Act, DOE proposed a method of calculating the equivalent petroleum-based fuel economy of electric vehicles.

The rule was finalized in April 1981. The seven-year evaluation program was completed and the calculation of the annual petroleum equivalency factors was not extended past 1987. The equivalent petroleum-based fuel economy equation terms in this rulemaking change the way the electricity generation output, input and relative value factor terms are calculated. The updated equation incorporates off-peak electric vehicle charging and the relative scarcity of electricity generation fuel sources.

Administrative responsibilities for the corporate average fuel economy program are assigned to the Department of Transportation and the Environmental Protection Agency under the Motor Vehicle Information and Cost Savings Act. The Secretary of Transportation is responsible for prescribing the corporate average fuel economy standard and enforcing the penalties for failure to meet these standards. The Administrator of the Environmental Protection Agency is responsible for calculating a manufacturer's corporate average fuel economy value. The Department of Energy is responsible for developing and promulgating the petroleum equivalency factor, the key component in the calculation of equivalent petroleum-based fuel economy for electric vehicles.

## II. Discussion

### A. Requirements of the Motor Vehicle Information and Cost Savings Act

Section 503(a)(3) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2003(a)(3)) requires DOE to determine the equivalent petroleum-based fuel economy values for various classes of electric vehicles, taking into account the following parameters:

- (i) The approximate electric energy efficiency of the vehicles considering the vehicle type, mission, and weight;
- (ii) The national average electricity generation and transmission efficiencies;
- (iii) The need of the Nation to conserve all forms of energy, and the relative scarcity and value to the Nation of all fuel used to generate electricity; and
- (iv) The specific driving patterns of electric vehicles as compared with those of petroleum-fueled vehicles.

Section 503(a)(3) also provides for revision of such values if necessary.

Due to continued technology development and a strong interest in the corporate average fuel economy of electric vehicles from industry, DOE is proposing an updated method of calculating the petroleum equivalency

factor. Unlike the current version of 10 CFR part 474 which required annual updating of the petroleum equivalency factor, the updated methodology yields a fixed value valid through the year 2004.

### B. Test Procedures

DOE is proposing to revise § 474.3 to provide that the test procedure to be used in determining equivalent petroleum-based fuel economy shall be based on the Society of Automotive Engineers Electric Vehicle Energy Consumption and Range Test Procedure J1634, effective May 1993. In accordance with 1 CFR part 51, the DOE will incorporate by reference this test procedure for the final rulemaking. Copies of the material to be incorporated by reference are available at the location indicated in the "ADDRESSES" section of this notice. The Society of Automotive Engineers Test Procedure J1634 provides standard tests for determining the energy consumption and range of electric vehicles based on the same highway and urban cycles used for gasoline-powered vehicles. The tests address electric vehicles only, and judge performance on the total vehicle system and the battery.

The current version of 10 CFR part 474 attempted to duplicate the Environmental Protection Agency urban driving cycle. The Environmental Protection Agency urban driving cycle was based heavily on stop-and-go as opposed to highway vehicle usage. Roughly 91 percent of this cycle was dedicated to stop-and-go testing and nine percent to freeway testing. The Society of Automotive Engineers J227a driving pattern closely duplicated the Environmental Protection Agency urban driving cycle and was used for electric vehicle testing in both the stop-and-go and freeway driving patterns.

DOE is today proposing that Society of Automotive Engineers Test Procedure J1634 replace Society of Automotive Engineers Test Procedure J227a to determine equivalent petroleum-based fuel economy. The current version of 10 CFR part 474 was based on the premise that electric vehicles would only be appropriate for urban use, and therefore excluded use of a separate highway test cycle when testing the electric vehicle. The resultant measurements were typical of stop-and-go driving with minimal freeway vehicle usage. In addition, the Society of Automotive Engineers Test Procedure J227a has a shorter, repetitive test cycle compared to the Society of Automotive Engineers Test Procedure J1634. This shorter, repetitive test cycle of Test Procedure J227a does not represent driving

conditions for a gasoline-powered vehicle as well as the test cycle proposed in Society of Automotive Engineers Test Procedure J1634.

### C. Calculation Procedures

Section 474.4 describes the steps necessary to calculate the equivalent petroleum-based fuel economy of an electric vehicle. The rule itself specifies a series of arithmetic steps one of which requires the inclusion of a Petroleum Equivalency Factor. The Petroleum Equivalency Factor is a single value incorporating the factors ii-iv specified by Congress in the Act.

While the determination of the energy efficiency of an electric vehicle as specified in section 503(a)(3)(A)(i) is a straightforward task based on physical testing, the measurement of the remaining parameters listed in section 503(a)(3)(A) of the Motor Vehicle Information and Cost Savings Act is subject to less precise quantification. A discussion of DOE's consideration of these parameters follows and is further documented in "Electric Vehicles and the Corporate Average Fuel Economy" and "Proposed Electric Vehicle Petroleum Equivalency Factor Equation" which are contained in Docket No. EE-RM-93-301.

At this time DOE is proposing the Petroleum Equivalency Factor value to be used through the year 2004. The actual figures are provided below.

The Petroleum Equivalency Factor is determined as follows:

$$PEF = DPF \times \eta_i \times AF \times \frac{E_{total}}{\sum_i I_i V_i}$$

where:

DPF = driving pattern factor

$\eta_i$  = average national electrical transmission efficiency

AF = accessory factor

$E_{total}$  = total output electricity generation mix (%)

$I_i$  = input electricity generation of fuel i (%)

$V_i$  = relative scarcity factor of fuel i

Each of these factors is described in further detail below:

#### 1. Driving Pattern Factor

Section 503(c)(3)(A)(iv) of the Motor Vehicle Information and Cost Savings Act requires that DOE take into account "the specific driving patterns of electric vehicles as compared with those of petroleum-fueled vehicles." The driving pattern factor is the ratio of annual vehicle miles travelled for an electric vehicle to that of a petroleum-fueled vehicle. Since there is an insufficient number of electric vehicles in service

for use as a sample, a factor of 100 percent (1.00) will be used until such time DOE has collected sufficient data to show otherwise.

## 2. Electric Transmission Efficiency

Section 503(c)(3)(A)(ii) of the Motor Vehicle Information and Cost Savings Act requires DOE to take account of "the national average electrical generation and transmission efficiencies." Since energy is lost in transmitting electricity, this factor has a negative effect on the equivalent petroleum-based fuel economy. The national average electrical transmission efficiency is 91.5 percent and is not expected to change significantly over the next several years.

## 3. Accessory Factor

Sections 503(a)(3) (iii) and (iv) direct DOE to include "the need \* \* \* to conserve all forms of energy" and "specific driving patterns of electric vehicles as compared to petroleum-fueled vehicles" in equivalent petroleum-based fuel economy. Accordingly, DOE considered the use of petroleum fueled accessories in the Petroleum Equivalency Factor calculations. This factor is directed exclusively at heater/defroster installations that are powered by petroleum fuels and has been assigned a usage factor (reduction) of approximately ten percent per accessory. This results in three possible accessory factor values—1.00, .900, or .810—corresponding to whether the electric vehicle is equipped with none, one, or two petroleum-powered accessories respectively.

## 4. Electricity Generation Efficiency and Relative Scarcity Factor

The last term in the Petroleum Equivalency Factor formula takes account of the remaining parameters listed in the Motor Vehicle Information

and Cost Savings Act: The national average electricity generation efficiency and the relative scarcity and value to the Nation of all fuel used to generate electricity. The term is the ratio of total output electricity generation mix to input electricity generation, weighed by a relative scarcity factor. The derivation of values for this term, and therefore, for the Petroleum Equivalency Factor, depends on the availability of data for (1) total electricity generation, (2) energy sources used in electricity generation, (3) electricity generation mix, (4) fuel source reserves, and (5) consumption of electricity generation fuel sources.

Section 503(a)(3)(A)(ii) of the Motor Vehicle Information and Cost Savings Act requires DOE to take into account average electricity generation efficiency. Electricity generation efficiency is defined as the total output electricity generation mix ( $E_{\text{total}}$ ) divided by the sum of the input electricity generation mix ( $I_{\text{total}}$ ) values. The updated Petroleum Equivalency Factor equation includes the effects of off-peak electric vehicle charging in its calculation of average electricity generation efficiency. The input electricity generation mix values, based on off-peak electric vehicle charging, were multiplied by the ratio of electricity generation fuel source (quadrillion BTUs) output ( $E_{\text{qi}}$ ) to input ( $I_{\text{qi}}$ ) values (Table I), to obtain output electricity generation mix values (Table II).

TABLE I.— $E_{\text{qi}}$ ,  $I_{\text{qi}}$  and  $E_{\text{qi}}/I_{\text{qi}}$  Ratio

Fuel source	$E_{\text{qi}}^1$ (quads)	$I_{\text{qi}}^2$ (quads)	$E_{\text{qi}}/I_{\text{qi}}$ Ratio
Coal .....	5.318	16.150	0.329
Nuclear ..	1.968	6.186	0.318
Hydro-electric	0.955	2.911	0.328
Natural Gas .....	0.901	2.881	0.313

TABLE I.— $E_{\text{qi}}$ ,  $I_{\text{qi}}$  and  $E_{\text{qi}}/I_{\text{qi}}$  Ratio—Continued

Fuel source	$E_{\text{qi}}^1$ (quads)	$I_{\text{qi}}^2$ (quads)	$E_{\text{qi}}/I_{\text{qi}}$ Ratio
Petroleum	0.400	1.251	0.320
Total	9.542	29.379	

<sup>1</sup> Source: Monthly Energy Review, November 1991, Table 7.1, Electric Utility Net Generation of Electricity, p. 89 (million kilowatthours).

<sup>2</sup> Source: Monthly Energy Review, November 1991, Table 2.6, Energy Input at Electric Utilities, p. 31 (quadrillion BTU).

TABLE II.—CALCULATION OF  $E_{\text{total}}$

Fuel source	$I_{\text{i}}$ (%)	$E_{\text{qi}}/I_{\text{qi}}$ ratio	$E_{\text{total}}$ (%)
Coal .....	50.17	0.329	16.52
Nuclear .....	23.33	0.318	7.42
Hydroelectric	14.52	0.328	4.76
Natural Gas ..	5.72	0.313	1.79
Oil .....	6.29	0.320	2.01
Total ..	100.00		32.51

Section 503(a)(3)(A)(iii) of the Motor Vehicle Information and Cost Savings Act also requires in part that "the relative scarcity and value to the Nation of all fuel used to generate electricity" be taken into account. The Petroleum Equivalency Factor accomplishes this by multiplying each of the individual input energy generation mix value terms used in calculating electricity generation efficiency by a relative scarcity factor ( $V_i$ ). The relative scarcity factor is derived by determining the U.S. percent and numeric share of the world reserve market (Table III), and calculating the rate at which the U.S. is depleting each fuel source's reserves. These values are then normalized to obtain the relative scarcity value for each fuel source (Table IV).

TABLE III.—CALCULATION OF U.S. SHARE OF WORLD RESERVE MARKET

Fuel source	World reserve value <sup>1</sup>	U.S. percent of fuel source market	U.S. share of world reserve market <sup>2</sup>
Crude Oil, billion barrels .....	967.7	26.3	254.8
Dry Natural Gas, trillion cubic feet .....	4,083.0	26.0	1,061.6
Recoverable Coal, million short tons .....	1,482,801.0	17.1	253,559.0

<sup>1</sup> Source: 1989 International Energy Annual (February, 1991) Tables 35 and 36, pgs. 97–101. The world reserve value expressed in this table is the average of the minimum and the maximum world reserve values obtained from the 1989 International Energy Annual.

<sup>2</sup> Source: U.S. Share of the World Reserve Market = World Reserve Value x U.S. percent of Fuel Source Market.

TABLE IV.—CALCULATION OF RELATIVE SCARCITY VALUE, V

Fuel source	Years before depletion	% of total (abundance)	1	Relative scarcity, V
			Abundance	
Crude Oil	34	.176	5.68	.487
Natural Gas	45	.233	4.29	.368
Coal	114	.591	1.69	.145
Nuclear	NA	NA	NA	.010
Hydro	NA	NA	NA	.010
Total	193		11.66	

It should be noted that direct reserve values are not available for hydroelectric or nuclear power. Thus, relative scarcity values of .01 are assigned to each since zero values would theoretically mean infinite supplies of each exist.

#### 5. Petroleum Equivalency Factor Calculation

The Petroleum Equivalency Factor terms, including the driving pattern factor term, average national electricity transmission efficiency term, accessory factor term, and the electric generation

output, input and relative scarcity term, are multiplied together to determine the proposed Petroleum Equivalency Factor (Table V). The three different Petroleum Equivalency Factor values reflect the three possible values of the accessory factor.

TABLE V.—PETROLEUM EQUIVALENCY FACTOR CALCULATION

Driving pattern factor	Electrical transmiss. efficiency ( $\eta_e$ )	Accessory factor	Total output elect. gen. mix (%) ( $E_{total}$ )	Sum of $1/xV_i$	Petroleum equivalency factor
1.000	.915	1.000	.325	.128	2.32
		.900			2.09
		.810			1.88

#### 6. Alternative Measure of Relative Scarcity and Value

Inherent in the calculation of the petroleum equivalency is a measure of the relative scarcity and value to the Nation of all electric generation fuels. This proposed rule uses a resource based measure of scarcity and value. It utilizes the estimated reserves of electric generation fuels and their rate of consumption as an estimate of each fuel's scarcity and value. Though we are confident of the soundness of this approach, we recognize that there is some support for a measure of resource scarcity and value based on its market price. The previous rule utilized this approach. It has been suggested that a BTU adjusted market price of fuel might be a more realistic and measurable reflection of the scarcity and value of electric generation fuels. Under this approach, long term price projections such as those made by the Energy Information Administration could be used instead of marginal prices to address the problems associated with frequent updating of the petroleum equivalency factor to reflect market prices. We seek comments on this alternative market price based approach as well. Comments are sought on the

merits of the market price based approach and its impact on the users of the petroleum equivalency factor.

#### D. Public Access to Information

To assist the public in commenting on this proposed rulemaking, copies of the sources of information used in developing this rulemaking (which will be incorporated by reference) are available in Docket No. EE-RM-94-101 for public inspection and copying in the DOE Freedom of Information Reading Room 1E-190, Forrestal Building, 1000 Independence Avenue, SW, Washington, DC, between the hours of 9 a.m. and 4 p.m., Monday through Friday.

#### III. Opportunities for Public Comment

##### A. Written Comments

Interested persons are invited to participate in this rulemaking by submitting data, views, or comments with respect to the proposed rulemaking. Comments should be submitted to the address indicated in the ADDRESSES section of this notice and should be identified on the outside of the envelope and on documents submitted to DOE with the designation "Inclusion of Electric Vehicles in Corporate Average Fuel Economy

Calculation—Proposed Regulation Update" (Docket No. EE-RM-94-101). Six copies should be submitted. All comments received on or before the date indicated at the beginning of the notice and all other relevant information will be considered by DOE before issuance of a final rule. Pursuant to the provisions of 10 CFR 1004.11 any person submitting information believed to be confidential and that may be exempt by law from public disclosure should submit one complete copy and eight copies from which information claimed to be confidential has been deleted. In accordance with the procedures established by 10 CFR 1004.11, DOE shall make its own determination with regard to any claim that information submitted be exempt from public disclosure.

##### B. Public Hearing

##### 1. Request To Speak Procedures

The time and place of the public hearing are indicated in the DATES and ADDRESSES sections of this notice. DOE invites any person who has an interest in the proposed rulemaking, or who is a representative of a group or class of persons that has an interest in the proposed rulemaking, to make a request

for an opportunity to make an oral presentation. Such a request should be directed to DOE at the address indicated in the ADDRESSES section of this notice.

The person making the request should briefly describe the interest concerned and if appropriate, state why he or she is a proper representative of a group or class of persons that has such an interest, and a daytime telephone number where the requester may be contacted. Six copies of a speaker's statement should be brought to the hearing. In the event that any person wishing to testify cannot provide eight copies, alternative arrangements can be made in advance of the hearing.

## 2. Conduct of the Hearing

DOE reserves the right to select the persons to be heard at the hearing, to schedule their respective presentations, and to establish the procedures governing the conduct of the hearing. The length of each presentation may be limited, based on the number of persons requesting to be heard.

A DOE official will be designated to preside at the hearing. This will not be an evidentiary or judicial-type hearing but will be conducted in accordance with 5 U.S.C. 553 and section 501 of the Department of Energy Organization Act, 42 U.S.C. 7191. Questions may be asked only by those conducting the hearing. At the conclusion of all initial oral statements, each person who has made an oral statement will be given the opportunity, if he or she so desires, to make a rebuttal or clarifying statement. The statements will be given in the order in which the initial statements were made and will be subject to time limitations.

Any further procedural rules needed for the proper conduct of the hearing will be announced by the presiding officer.

## IV. Procedural Requirements

### A. Environmental Review

Pursuant to section 7(a) of the Federal Energy Administration Act of 1974 (15 U.S.C. 766(a)), a copy of this notice was submitted to the Administrator of the Environmental Protection Agency for the Administrator's comments concerning the impacts of this proposal on the quality of the environment.

This rulemaking has been reviewed in accordance with the requirements of the DOE—National Environmental Policy Act Final Rule as published in the *Federal Register* on April 24, 1992. Based on that review, this rulemaking was found to qualify for a categorical exclusion under Appendix A to subpart D, Item A5 of the Final Rule:

Rulemaking (interpreting/amending), no change in environmental effect. The rulemaking does not change the environmental effect of the current version of 10 CFR part 474.

### B. Regulatory Review

Pursuant to the January 22, 1993, memorandum on the subject of regulatory review from the Director of the Office of Management and Budget (58 FR 6074, January 25, 1993), DOE submitted this notice to the Director for appropriate review. The Director has completed his review. Separately, DOE has determined that there is no need for a regulatory impact analysis because the rule is not a major rule as that term is defined in section 1(b) of Executive Order 12291.

### C. Regulatory Flexibility Act

The Regulatory Flexibility Act (Pub. L. 96-345) (5 U.S.C. 601-612) requires that an agency prepare an initial regulatory flexibility analysis to be published at the time the proposed rule is published. This requirement (which appears in section 603) does not apply if the agency certifies that the rule will not, if promulgated, have a "significant economic impact on a substantial number of small entities."

DOE certifies that this action will have little, if any, effect on small business. It is directed at vehicle manufacturers that will be concerned with a mix of petroleum and electric fueled vehicles in their annual production.

### D. Federalism Review

Executive Order 12612 (52 FR 41685, October 30, 1987) requires that regulations or rules be reviewed for any substantial direct effects on States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among various levels of government. If there are sufficient substantial direct effects, then Executive Order 12612 requires preparation of a federalism assessment to be used in all decisions involved in promulgating such a regulation or rule.

DOE's responsibility with this action and 10 CFR part 474 serve only to provide a method of interpreting 40 CFR part 600 (Fuel Economy of Motor Vehicles) for electric vehicles. The action does not involve any substantial direct effects on States of other considerations stated in Executive Order 12612. Hence, no federalism assessment is required.

### E. "Takings" Assessment Review

It has been determined that pursuant to Executive Order 12630 (52 FR 8859, March 18, 1988), this proposed regulation, if adopted, would not result in any takings which might require compensation under the Fifth Amendment to the United States Constitution.

### F. Review Under Section 32 of the Federal Energy Administration Authorization Act

Section 32 of the Federal Energy Administration Act of 1974 (15 U.S.C. 788) imposes certain requirements when a proposed rule contains commercial standards or authorizes or requires the use of such standards.

The commercial standards proposed today incorporate commercial standards to measure the energy consumption and range of electric vehicles. The commercial standards are the Society of Automotive Engineers Electric Vehicle Energy Consumption and Range Test Procedure J1634.

DOE has evaluated the promulgation of these standards in light of the public participation criteria of section 32(b). The Department is unable to conclude whether development of these standards fully complied with section 32(b) regarding the manner of public participation.

Finally, as required by section 32(c), DOE will consult with the Attorney General and the Chairman of the Federal Trade Commission concerning the impact of these standards on competition, prior to prescribing final test procedures.

### G. Review Under Executive Order 12778

Section 2 of Executive Order 12778 instructs each agency subject to Executive Order 12291 to adhere to certain requirements in promulgating new regulations and reviewing existing regulations. These requirements, set forth in sections 2(a) and (b)(2), include eliminating drafting errors and needless ambiguity, drafting the regulations to minimize litigation, providing clear and certain legal standards for affected conduct, and promoting simplification and burden reduction. Agencies are also instructed to make every reasonable effort to ensure that the regulation specifies clearly any preemptive effect, effect on existing Federal law or regulation, and retroactive effect; describes any administrative proceedings to be available prior to judicial review and any provisions for the exhaustion of such administrative proceedings; and defines key terms. The DOE certifies that today's proposed rule

meets the requirements of sections 2(a) and (b)(2) of Executive Order 12778.

#### List of Subjects in 10 CFR Part 474:

Electric power, Energy conservation, Incorporation by reference, Motor vehicles, Research.

For the reasons set forth in the preamble, DOE proposes to amend part 474 of chapter II of title 10 of the Code of Federal Regulations as set forth below.

Issued in Washington, DC, on January 14, 1994.

Christine A. Ervin,

Assistant Secretary, Energy Efficiency and Renewable Energy.

#### PART 474—ELECTRIC AND HYBRID VEHICLE RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM; EQUIVALENT PETROLEUM-BASED FUEL ECONOMY CALCULATION

1. The authority citation for part 474 continues to read as follows:

**Authority:** Section 503(a)(3) Motor Vehicle Information and Cost Savings Act, Pub. L. 94-163 (15 U.S.C. 2003(a)(3)), as added by Section 18, Chrysler Corporation Loan Guarantee Act of 1979, Pub. L. 96-185; Department of Energy Organization Act, Pub. L. 95-91.

2. Section 474.2 is amended by removing the definitions for "Steady-speed electrical efficiency value" and "Stop-and-go electrical efficiency value" and adding the following definitions in alphabetical order:

#### § 474.2 Definitions.

\* \* \* \* \*

*Highway fuel economy test procedure driving schedule electrical efficiency value* means the average number of kilowatt-hours of electrical energy required for an electric vehicle to travel 1 mile of the highway fuel economy test procedure driving schedule, as determined in accordance with § 474.3(c).

\* \* \* \* \*

*Urban driving schedule electrical efficiency value* means the average number of kilowatt-hours of electrical energy required for an electric vehicle to travel one mile of the urban driving schedule, as determined in accordance with § 474.3(b).

3. Section 474.3 is revised to read as follows:

#### § 474.3 Test procedures.

(a) The conditions and equipment in the Electric Vehicle Energy Consumption and Range Test Procedure—J1634 of the Society of Automotive Engineers shall be used for

conducting the test procedures set forth in this section.

(b) The energy consumption test procedures prescribed in Society of Automotive Engineers procedure J1634, Section 6, using the Environmental Protection Agency Urban Driving Schedule, shall be used for generation of the urban driving schedule electrical efficiency value.

(c) The energy consumption test procedures prescribed in Society of Automotive Engineers procedure J1634, Section 6, using the Highway Fuel Economy Test Procedure Driving Schedule, shall be used for generation of the highway fuel economy test procedure driving schedule electrical efficiency value.

4. Section 474.4 is amended by revising paragraphs (a), (b) and (e) to read as follows:

#### § 474.4 Equivalent petroleum-based fuel economy calculation.

(a) Calculate the equivalent petroleum-based fuel economy of an electric vehicle as follows:

(1) Determine the urban driving schedule electrical efficiency value, according to § 474.3(b).

(2) Determine the highway driving schedule electrical efficiency value, according to § 474.3(c).

(b) Calculate the electrical energy efficiency value by:

(1) Multiplying the urban driving schedule electrical efficiency value by 0.55; and

(2) Multiplying the highway fuel economy test procedure driving schedule electrical efficiency value by 0.45; and

(3) Adding the resulting two figures, rounding to the nearest 0.01 kWh/mile.

\* \* \* \* \*

(e) Calculate the equivalent petroleum-based fuel economy value in miles per gallon by multiplying the electric energy efficiency value by one of the three petroleum equivalency factor values which reflect the three production volume/accessory combinations specified in § 474.4(d):

(i) 2.32;

(ii) 2.09; or

(iii) 1.88.

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#### FARM CREDIT ADMINISTRATION

#### 12 CFR Part 630

RIN 3052-AB23

#### Disclosure to Investors in Systemwide and Consolidated Bank Debt Obligations of the Farm Credit System

AGENCY: Farm Credit Administration.

ACTION: Proposed rule.

**SUMMARY:** The Farm Credit Administration (FCA), by the FCA Board (Board), publishes for comment proposed regulations that would require each bank of the Farm Credit System (FCS or System), the Federal Farm Credit Banks Funding Corporation (Funding Corporation), and the Farm Credit System Financial Assistance Corporation (Financial Assistance Corporation) to jointly publish annual and quarterly reports to investors and potential investors in Systemwide debt obligations and consolidated bank debt obligations of the Farm Credit System (FCS debt obligations). The report to investors required by the proposed rule would contain Systemwide financial statements, supplemental financial statement information, and related analyses pertaining to System institutions presented on a combined basis.

The proposed rule would ensure that timely and accurate Systemwide financial information continues to be disclosed to investors and the public to assist them in making informed decisions regarding FCS debt obligations and System institutions. The proposed rule would integrate individual System institutions' disclosure to shareholders with the Systemwide disclosure to investors.

Though not required by existing FCA regulations, System institutions have developed the Farm Credit System Disclosure Program (System Disclosure Program) and currently publish a "Report to Investors of the Farm Credit System" (FCS Report). Included in the FCS Report are an Information Statement that contains financial data and a general report. The content of the report to investors that would be required by this proposed rule is similar to that of the Information Statement.

The proposed regulations generally parallel the System Disclosure Program, and thus should not impose significant additional regulatory burdens on System institutions. Further, the proposed rule would not impose any new responsibilities for financial disclosure on FCS associations. However, it contains one provision that would affect the associations'